

## Namibia

<b>Status Index</b> 7.4 (Democracy: 3.8 / Market economy: 3.6)		<b>Management Index</b> 4.8	
<b>System of government</b>	Presidential-parliamentary democracy	<b>Population</b>	1.9 mill.
<b>Voter turnout</b>	62 % (1999)	<b>GDP p. c. (\$, PPP)</b>	7,120
<b>Women in Parliament</b>	26.4 % (2003)	<b>Unemployment rate</b>	31 %
<b>Population growth<sup>a</sup></b>	2.8 %	<b>HDI</b>	0.627
<b>Largest ethnic minority</b>	9 %	<b>UN Education Index</b>	0.80
		<b>Gini Index</b>	70.7 (1993)
Data for 2001 – if not indicated otherwise. <sup>a)</sup> Annual growth between 1975 and 2001. Source: UN Human Development Report 2003.			

### 1. Introduction

Namibia, formerly South West Africa, attained independence on 21 March 1990. The timing was no accident. To a great extent, the processes of decolonization and democratic transition can be explained by the changes that were taking place in world politics at the time. While the Eastern Bloc was disintegrating, a wave of democratization was sweeping over Africa. Namibia's new beginning, which was characterized by a liberal constitution and market-based democracy, was interpreted as a beacon of hope for African development and as a liberal, democratic example for other African countries. It received much premature praise. Just a decade later, the assessments are more sober, particularly for the period of this study. There has recently been repeated speculation that developments in Namibia could go the way of Zimbabwe, straying from the path of democratic consolidation in both political and economic terms.

In fact, there is a series of indications that the political culture—in terms of both the attitudes of the general population and the behavior of the ruling elites—is now guided by the principles of the constitutional apparatus to only a limited extent. Uncertainty is caused by discussion on a fourth term of the President for which the constitution does not provide the legal basis. Yet despite such erosion processes, the democratic structures and the regulating mechanisms of market economy still exist and function formally. Thus, rather than describing the situation as a “breakdown,” one must view the developments in Namibia as fluctuations in the process of market-based democratization or, in other words, “delayed transformation.”

## **2. History and characteristics of transformation**

The history of transformation in Namibia is primarily one of decolonization. South West Africa (SWA) had been administered by South Africa as a Class C mandate on behalf of the League of Nations, beginning in 1920. After the Second World War, South Africa annexed SWA as its fifth province, thus bringing it under the jurisdiction of the *apartheid* laws. In 1966, after a dispute that had lasted several years, the League's successor, the United Nations, terminated South Africa's mandate over SWA and thus became the central figure in the decolonization conflict. The end of white dominance in southern Africa and the comparatively peaceful compromise that was reached were only possible thanks to the concerted efforts of the two superpowers at the end of the 1980s.

Without political consensus among these key actors, the mission of the United Nations Transitional Assistance Group (UNTAG), which accompanied the process of transition to the first free and democratic elections, could not have been accomplished. The culmination of this process was the adoption of a democratic constitution that Western constitutional experts deem among the most liberal constitution adopted in Africa until then.

When analyzing and assessing Namibia's democratic transformation, it is possible trace the influence of two political-ideological camps that continue to influence the nation's political development today: a Western, democratic one and a centralist, authoritarian one. Historically, the democratic camp essentially stood for the white minority, together with representatives of the "internal parties." And although the white minority profited from apartheid in Namibia as the privileged upper class, it also supported Western ideas of democracy.

It must be acknowledged that, even under a colonial system that was unjust and repressive for the majority of the population, democratic rights and mechanisms did exist, although only for the minorities. During this stage, the nation was already having its first experience with democratic competition and participation, and this eventually allowed the emergence of a multiracial civil society.

The South West African Peoples Organization (SWAPO), the most important political power of the black majority, had very little experience with democracy before independence, although many of its members had spent many years in exile in the West. SWAPO viewed itself primarily as a tightly organized, centrally structured liberation movement and classified itself ideologically as democratic socialist. It was generously supported by Eastern Bloc countries. SWAPO's recognition of democratic principles (1982) in the course of international decolonization efforts was a crucial first step toward a liberal democratic transformation.

In the period that followed, SWAPO decision-makers identified themselves more and more with these principles—not least in order to obtain support and

legitimacy in the West. Thus a constitution created by international experts and shaped by liberal thought was adopted relatively quickly and unanimously after the independence elections. However, as will be described later in this paper, the rather centralist, authoritarian orientation within SWAPO is still evident today, giving the nation's political culture a bipolar character.

Namibia's economic transformation is similarly divergent. The Namibian economy was fully integrated into the system of the colonial "mother country" in the past and remains extremely dependent on South Africa today. In this respect, the Namibian economy not only followed the economic principles of apartheid ("homelands" as separate economic areas, migrant workers, exploitation and discrimination through expropriation, forced cheap labor, etc.), but was also shaped by a market economy controlled by "white South Africa" and based on the principles of private property, free prices and integration into the global trading economy, despite state intervention. By contrast, although SWAPO was a liberation movement, it was influenced by the socialist ideology of the Eastern Bloc and thus supported a centralized economy without private property.

Just as SWAPO adopted democratic principles, it also gradually replaced this basic orientation toward a planned economy with a belief in a market economy before and after Namibia's independence. In the constitution, there is simply mention of a "mixed economy," but private property is established as an *inalienable* right. If an economic conflict were to arise at all—and as yet there has hardly been one in the public arena—then it would be over land distribution and land reform.

### **3. Examination of criteria for democracy and a market economy**

#### **3.1 Democracy**

In the first years following independence, the Namibian government consistently pursued the process of democratic transformation that had been initiated by external forces. However, undemocratic, authoritarian tendencies in the government and transformation shortcomings in the judiciary and public administration have been growing since the mid-1990s.

##### **3.1.1 Political organization**

(1) *Stateness*: Unlike in many other African states, problems of state identity are virtually nonexistent in Namibia. The state has an unrestricted monopoly on the use of force. The only exception were brief secessionist tendencies in 1998 among members of the Mafwe ethnic group in the Caprivi Strip, a strip of land in the far northeast of Namibia that follows the Okovanggo River and penetrates deep into the region between Botswana and Zambia. The rebellion was led by Mishake

Muyongo, a well-known DTA politician who was actually vice chairman of SWAPO at one time before independence. The insurgency was limited to the Caprivi Strip, but the government took it very seriously and reacted with disproportionate severity. Observers stressed that it was not so much a secession that could threaten the state. Instead, they suggest that it was a conflict between the Ovambo-dominated administration and the inhabitants of the Caprivi Region, which had been comparatively neglected since independence, and that personal animosities between Nujoma and Muyongo played a role.

Despite the tensions that exist between the largest ethnic group, the Ovambo, and other ethnic groups, there have so far been no conflicts that threaten the existence of the state. On the whole, no doubts have been expressed about Namibia's territorial status. All citizens have the same rights of citizenship and consider themselves Namibians. Religion and state are separate. The political process is largely secularized. Despite efforts toward decentralization, the public administration remains centrally oriented and covers the entire territory of Namibia. Ensuring public safety is handled by the police forces. In addition, traditional secret organizations that are politically tolerated but not recognized maintain public order in some parts of the country. For example, these organizations apply lynch law to punish such offenses as livestock rustling.

(2) *Political participation:* There is universal suffrage and the right to campaign for public office, and, all in all, elections are run correctly at the national, regional and local levels. The government and the parties respect the principles governing an open and competitive election process. The central government has effective power to govern. There are no political enclaves in the hands of warlords or the military. Political opposition groups have freedom of speech and freedom of assembly in principle. However, in the run-up to elections, there have been isolated cases in which they have met with limitations. Such hindrances cast doubt on the political impartiality of the police and public administration, particularly in the SWAPO strongholds in the North.

The public media, especially radio and television broadcasts by the Namibia Broadcasting Corporation (NBC), represent the official opinions of the government and are dependent on the government in terms of both personnel and funding. The president has taken over joint responsibility for the department of information, but freedom of speech has not yet been restricted. The majority of the press belongs to a private media company and is critical of the government. Its readership is largely confined to the big urban centers, so that opposition viewpoints rarely reach the hinterland.

Civic organizations are free to operate. There is a diverse landscape of NGOs that comprises both Namibian and foreign organizations. Unions and employers' associations exist. The unions have the express support of the government, and in this respect, the majority stand behind the government's policy and that of the ruling SWAPO party. Only in 2003 did a distanced relationship replace the close

agreement between the governing party and the “Namibia Farmworkers Union (NAFWU)”. Civil liberties are largely safeguarded. Only in the Okovango and Caprivi regions were they temporarily restricted because of the threat of secession. Ethnic cleavages play both a social and political role, but these are latent conflicts that do not seriously threaten the dynamics of association within Namibian civil society.

(3) *Rule of law*: Namibia’s constitution attaches special importance to the separation of powers and to checks and balances among the executive, legislative and judiciary branches. However, the presidential system of government in a unitary state gives the president considerable power. This is solidly safeguarded by the massive dominance of the SWAPO party, which holds almost three-quarters of the seats in Parliament and enjoys the support of the Ovambo ethnic majority. Parliament’s balancing power is already constitutionally limited because all members of the government must be members of Parliament. Thus, one-quarter of the Parliament comprises members of the government.

The small number of seats in Parliament (78 in all) and the overwhelming dominance of the governing party also stand in the way of a well-functioning system of committees, which could otherwise serve an important monitoring function. While Parliament is limited in its exercise of its monitoring function, it does fulfill its legislative duties very conscientiously. It meets regularly and is a forum for open, critical debate in which even the opposition parties can speak unimpeded. Similarly, problems in the regional and local assemblies lie not so much in a restriction on the rule of law as in problems of competence, for the parliamentarians generally lack the qualifications to fully take up the latitude accorded them by the law.

In principle, the judiciary is independent. Most of the judges and court officials received their training and appointments during the colonial period, and the majority of higher-level judges and court officials are white. In keeping with the constitution, they were able to maintain their employment in an independent Namibia. On the whole, their behavior has been very much in conformity with the constitution and guided by the rule of law. Concern has been voiced about political bias in the government’s appointment of new judges, but these concerns have been difficult to verify.

Public criticism has, on several occasions, forced the government to establish committees of inquiry headed by judges to investigate accusations of abuses of authority or corruption on the part of members of the government or Parliament. This speaks for the prevalence of the rule of law within the system. On the other hand, the sometimes startling results of the investigations have not resulted in serious consequences. Instead, the perpetrators have largely gone unpunished due to political considerations within the ethnosocial system of patronage. A general suspension of judicial oversight and review has, however, not occurred.

Political and bureaucratic corruption in Namibia takes place largely in a gray area in which politicians, high public officials and members of their families move and act. Particularly in an extractive economy such as Namibia's, granting licenses for mining and exploitation rights and participation in international societies provide great money-making opportunities. At least fighting corruption is an issue often taken up by civic groups and the opposition, as long as they themselves are not involved.

Civil liberties enjoy special constitutional protection. In principle, the government and judiciary punish violations of the law. However, the appropriate institutions do not have strong powers and are not very effective. To date, the police and the judiciary have had limited success in getting the nation's rising crime rate under control. At the same time, the police and army have repeatedly been involved in unauthorized infringements, which have either been covered up politically or had their investigation delayed. Examples include brutal interrogations in connection with the secession attempt in the Caprivi Strip—which involved coercive measures bordering on torture—as well as smaller-scale, unlawful coercive measures at election events. Citizens cannot depend absolutely on the application of the established law or the binding of government actions to legal standards.

### **3.1.2 Political patterns of behavior and attitudes**

*(1) Institutional stability:* Despite the limitations mentioned above, the democratic institutions can be described as stable on the whole. Paradoxically, this is thanks to the dominant position of the SWAPO party and the president. Because the government enjoys the support of a two-thirds majority, it can always put through its policies by way of democratic votes in Parliament, despite opposition criticisms. Cleverly, the president and ruling party try to gain formal democratic legitimacy for all of their objectives and activities, even if they are on the edge of legality. A particularly striking case is Parliament's granting of a third term in office for the president despite the fact that the constitution only provides for two terms. This grant was for a third term exclusively, the much debated fourth term would presuppose a constitutional amendment.

People who wield influence in Namibian society, whether parties, unions, churches or organized civic groups are hardly in a position to block the political processes undertaken by the solid SWAPO majority. The only group that could serve as an effective counterweight, if any could, is that of the economically strong white businesspeople and large-scale farmers. This group is staying conspicuously out of politics, deliberately remaining on the sidelines and avoiding the political spotlight. In this respect, there are no serious vetoing agents in sight.

*(2) Political and social integration:* Namibia has a stable party system that is largely rooted in ethnicity. The ruling SWAPO party emerged from a liberation movement during the struggle for independence in which the ethnic Ovambo

majority took a leadership role. SWAPO continues to dominate the northern part of the country, garnering more than 90 % of votes there. SWAPO enjoys less support among the other ethnic groups but nevertheless enough to allow it to govern as the dominant national party. Traditionally, political parties in Namibia are leadership-oriented voting organizations that are not highly organized. Voter volatility is low. Thus, a democratically legitimized, single-dominant-party system has emerged despite a trend toward lower voter turnout.

It is not foreseeable that one of the opposition groups will manage to come even close to threatening the ruling party's position of power by democratic means. However, it is conceivable that personal power struggles and ethnosocial conflicts could cause the ruling party to break up. Such a scenario would only be imaginable if there were disagreement within the party about who should succeed the charismatic incumbent president, Sam Nujoma.

Politically relevant interest groups are primarily active in the formal sector and in urban areas. These groups are primarily business and labor associations. As a result of the government's political support, the unions are more heavily represented in government bodies than their membership numbers would warrant. Businesses are organized in chambers of commerce and industry. There is a white chamber, and one that is mostly black. Both chambers are on cooperative terms with the government. The major Christian churches traditionally play an important sociopolitical role. The churches have become more restrained in their public statements since Namibia attained independence, and they have a far greater influence on society as a moral institution than as a political voice.

However, small civic groups such as the Legal Assistance Center, Breaking Down the Wall of Silence (BWS) and other human rights organizations have made their mark politically by uncovering and dealing with human rights abuses. Because these groups not only denounce the crimes of South Africa's apartheid regime but also discuss offenses perpetrated by the SWAPO leadership in exile during the colonial period, the government reacts very sensitively and tries to prevent publications about the period. However, it has not issued any categorical bans on such publications.

It is unclear to what extent the traditional leaders and ethnic patronage systems have an influence on the institutional underpinnings of democracy in Namibia. Traditional authorities continue to have considerable influence, particularly in rural areas. In principle, the majority of ethnic leaders probably approve of the Namibian state and its democratic institutions. Some chiefs even hold positions of political leadership. However, their acceptance of state institutions does not necessarily imply democratic attitudes.

In contrast, empirical studies have shown that almost two-thirds of the voting population approve of key democratic values such as participation, competition, and fundamental rights and freedoms. The starkest authoritarian elements are

among the Ovambo in the north, where the “friend or foe” paradigm—shaped by colonial experience and the struggle for liberation—is especially prevalent. Here, they are first and foremost concerned with maintaining the power they have attained and are prepared to defend it with force—regardless of how democratic or undemocratic this might be. They use the democratic institutions primarily as a means to maintain their hold on power.

### **3.2 Market economy**

As a result of its colonial past, the Namibian economy is still very closely linked with the South African economy. The economic structure is shaped by the extraction of raw materials, and the production of industrial goods has been slow to develop. Namibia’s external dependence is especially evident in its foreign trade. Some 80 % of the consumer goods used in Namibia come from South Africa. This tight market link is also manifest in the South African Customs Union (SACU), which has been in existence since 1963, and Namibia’s integration into the regional organization South African Development Community (SADC), which began establishing a free-trade zone in southern Africa in the year 2000. As a result, Namibia’s business structure, and its money and capital markets are tightly linked with South Africa. South African banks and companies dominate the Namibian market.

#### **3.2.1 Level of socioeconomic development**

Compared with other African countries, Namibia has a relatively high level of development and, with a per capita income of about \$2,100, is statistically considered a Lower Middle Income Country (LMC). However, economic growth did not exceed population growth in the recent past. As a result, Namibia has not achieved real growth. In fact, some statistics have even shown negative growth figures. In addition, global indicators obscure striking developmental differences and social disparities. There are massive discrepancies between urban and rural areas, between racial groups (white and black), and between the new upper class and the majority of the population.

The level of development, as measured by the Human Development Index (HDI), reflects this situation very clearly and shows the extent of social exclusion. This situation is hardly a matter of structural encrustation. The government is trying to influence and change social disparities through legislation, active efforts to attract investments and steering development policy measures. Despite these efforts, the disparities have so far hardly been overcome. Low levels of efficiency and productivity have failed to bring about the desired growth.



### **3.2.2 Market structures and competition**

The foundations of free-market competition are safeguarded. Free prices, currency convertibility, freedom to carry on a business or trade, and free disposition of profits are given, in principle. The share that state-owned companies contribute to the GDP is small. During the period of this study, a series of public services—such as electricity supply (Nam-Power), water supply (Nam-Water), and big transport companies such as Air Namibia and the rail company—were transformed into parastate companies and are increasingly being managed in accordance with free-market principles.

The government is trying to increase free competition, facilitate trade and attract foreign investment through step-by-step deregulation and tax concessions. As a member state of the African, Caribbean and Pacific (ACP) group of states and as part of the SACU, Namibia has embarked on a path toward liberalization that is opening many doors to free trade but also bringing clear negative repercussions. Despite liberalization, little has changed with respect to the external dependency of the economic structure. The terms of trade fluctuated during the assessment period. At times they continued to fall because the national economy does not include enough processing and diversification. However, there has been some progress in the area of processing zinc, fish and diamonds.

As a result of liberal trade, monetary and fiscal policies, far more capital has been drawn out of the country than flows in (net capital export in 2000: N\$1.2 trillion). Although the tax-privileged Economic Processing Zone (EPZ) has attracted foreign—primarily South African and Malaysian—investments, it has fallen far short of expectations. The capital market is integrated into the global market with the Windhoek and Johannesburg stock exchanges. The commercial banks are mostly private, but the majority of them are branches of South African banks. Only the central bank and a few other banks (for example the Agribank) are in public hands.

### **3.2.3 Stability of currency and prices**

Consistent monetary policy is only possible in cooperation with South Africa because the Namibian dollar is pegged to the rand. The rate of inflation is determined by South Africa, and Namibia has only a limited influence. The government's fiscal policy was very focused on stability in the first years after independence. With government spending on the rise, Namibia's debt has ballooned recently. As a result, Namibia has become increasingly dependent on international credit.

### **3.2.4 Private property**

The rights of property acquisition and ownership enjoy special protection under the constitution. Private-sector companies are viewed as the pillars of macroeconomic production and enjoy special support. Large, state-owned utilities have increasingly been partly privatized and transformed into para-state companies in the past few years.

### **3.2.5 Welfare regime**

Unlike most African countries, Namibia has a pension system, which pays each citizen over age 65 N\$250 per month. This pension payment, which is not raised through contributions of the working population but rather paid directly from the public treasury, is an important lifeline that keeps a large part of the poor population (particularly in rural areas) from falling into absolute poverty. However, compared with the cost of living, this small sum is not enough to reduce the gap between rich and poor or even bring about social stability. Health care in rural areas has deteriorated severely since Namibia's independence, to a large degree because qualified white doctors have left. Foreign doctors coming into Namibia with development programs have hardly been able to offset the loss.

The HIV/AIDS pandemic has developed into a formidable threat. Rising mortality rates among middle-aged people are hitting the working generation especially hard. As a result, the hardest-hit areas are often left with only grandparents and children, and the families at the base are hardly able to support themselves. This is also leading to the collapse of traditional mechanisms that acted as social safety nets. It is to be feared that, despite intensified public efforts to mitigate them, the consequences will continue to be felt for decades and impair Namibia's level of development.

The government has given special attention to promoting the development of the educational system. Education spending currently accounts for about 9 % of the budget. As a result, there has been a considerable quantitative increase in education since independence. However, the qualitative results in all areas still leave a great deal to be desired.

On the whole, Namibian society is still characterized by crass social segmentation with a strong correlation between race and class as a result of the colonial period, despite efforts to offset these effects. Although a black upper class in politics, administration and the economy and an estimable black middle class developed quickly after independence, they cannot obscure the grave social disparities that remain. At least the position of women has improved, particularly among the educated. Thanks to affirmative action and other equal opportunity efforts, women are more strongly represented in public bodies than ever before. One-third of the members of Namibia's Parliament are women.

### 3.2.6 Strength of the economy

The overall macroeconomic situation has deteriorated considerably since the first, successful years. This is due both to global economic crises and the South African economy. For the past several years, the average growth rate has hardly exceeded the rate of population growth. The result is a real growth rate of zero. Only a few economic sectors have positive prospects for growth. On the whole, Namibia has considerable potential for growth because of its wealth of raw materials and its favorable position between two powerful economic partners, Angola and South Africa. Full use is not being made of development opportunities, and not enough effort is being made to overcome obstacles to growth such as deficiencies in expertise, management and good governance.

### 3.2.7 Sustainability

Balanced, environmentally compatible and forward-looking growth is essential to sustainability. With various investments and advancement programs, particularly those aimed at the country's marginalized regions, the government has made an effort to achieve and promote sustainability. Agriculture remains especially important, as it employs the largest share of the population (slightly less than 40 %, according to other sources 25 %). Ecology is a particularly sensitive factor in a country that is mostly semiarid. Fishing policy should also be considered a very sensitive area because overfishing led to a drop in catch at the end of the 1990s. Development initiatives have taken these areas into special account.

## 4. Trend

(1) *Democracy*: Even before the period of this study, the key prerequisites for the existence of democracy in Namibia—a monopoly on the use of force, a functional administrative system, a functioning judiciary, and public order and safety—were already largely guaranteed by constitutional provisions. These institutions were not fundamentally called into question during the period of this study, but there are unmistakable signs of a widening gap between what is written in the constitution and reality. Authoritarian tendencies are becoming increasingly evident in the government's policies, and the general population seems to be accepting them quietly, without any perceptible resistance. Observers speak of a culture of fear and silence. In particular, individuals employed in the civil service do not dare to criticize official policy or oppose the opinions and decisions of the leadership.

Opposition and criticism emanate from the opposition far less than from the private press (particularly the newspaper *The Namibian*) and a relatively small civil society. The critical civil society is supported by circles of whites and a minority of opposition-minded, educated blacks. On the whole, there seems to be

too little will to use the democratic institutions intensively as a vehicle for criticism. The party's authoritarian leadership structures and the president's high-handedness are widely accepted without criticism.

If it is actually carried out, the referendum aimed at allowing the president a fourth term in office will likely be approved by a majority. Thus, rather than progress, there has been stagnation, and the level of democratic consolidation is dropping. Because political democratization is usually closely linked to economic improvements, the chances of democratic progress will not be very great until the economic situation for the majority of the population improves considerably.

(2) *Market economy*: The absolute economic data seem to indicate relatively favorable baseline conditions for the Namibian economy. However, development indicators do not reveal a real improvement in the level of development during the period of this study. The striking socioeconomic disparities and the segmentation of the market have hardly been alleviated. As the table illustrates, the weighted HDI indicators relativize the favorable picture drawn by the absolute development indexes. In 1998, Namibia was in 118th place in terms of the HDI. Until 2003 this position has been degraded to 124<sup>th</sup> place (from 175th).

Nevertheless, the institutional framework for free-market activity did improve during the period of this study. This applies in particular to the reduction of restrictions on foreign trade and increased regional economic integration in southern Africa.

**Table: Development of macroeconomic fundamentals (1998-2002)**

	1998	1999	2000	2001	2002
GDP growth in %	3.3	3.4	3.3	1.9	2.3
Inflation in %	n. a.	8.8	n. a.	n. a.	11.3*
Unemployment in %	n. a.	36	n. a.	31	n. a.
Budget deficit in % of GDP	n. a.	4.4	3.9	n. a.	3.9**

\*Source: Central Bureau of Statistics. \*\*Budget Statement 2002/2003.

## 5. Transformation management

### 5.1 Level of difficulty

Compared with other countries, the baseline conditions for transformation in Namibia were relatively favorable as the basic structures for a market economy were in place and Namibia had a comparatively high level of economic and social

development. After all, with a per capita income of \$2,050 in 2000, Namibia is officially considered a Middle Income Country. In view of the HDI of 0.63 and Gini index of 70.7, Namibia is among the countries with the most unequal distribution of income in the world. Just 1 % of Namibia's richest households earn more than the poorest 50 % of households combined. Even if the official UN Education Index looks relatively favorable, the qualifications received through Namibia's education system are not to be judged very highly. In addition, the effects of the HIV/AIDS epidemic are devastating, and the rate of infection is especially high among the educated.

Ethnic tensions also shape the competition for positions and symbolize the fight for power and wealth in Namibian society. The latent conflicts between the Ovambo and Namibia's other ethnic groups seem to be growing rather than subsiding. However, violent clashes are only sporadic and more of an exception. The predominant political and social actors and institutions in Namibian society do not question the fundamental consensus about the central rules of democratic transformation. Civic groups that played a decisive role in the struggle for liberation, as they had in South Africa, are also important. The public debate about land reform will be an important test.

## **5.2 Reliable pursuit of goals**

On the whole, Namibia's government and its various departments cannot be accused of lacking vision and strategic planning. Efforts to achieve economic development are aimed at promoting the development of industry and the infrastructure and offer incentives for the investment of foreign capital. They are oriented toward making the market economy work better (through privatization) and are supposed to give the general population a greater degree of democratic participation and integration (through decentralization).

However, in this respect, the government has not tackled the central structural problems affecting Namibian society—that is, the disparate social structures and poverty—with enough seriousness. Instead, a closer analysis reveals that plans and reform ideas continually fall victim to political distribution struggles, leaving a wide gap between goals and plans and their actual implementation.

The government has not shown itself to be very clear or convincing on the issue of land reform, as the developments in Zimbabwe are the subject of very controversial debate among the general population. This situation casts doubt on the government's reliability in achieving goals, particularly for investors. At the very least, there are clear differences of opinion between the SWAPO party and leading government representatives, and these differences have led to considerable irritation, especially among white farmers. Despite various emotionally charged statements from government circles (for instance, the

president's December 2002 interview), there has not yet been a striking deviation from democracy and a market economy.

An increased emphasis on ownership and a return to African values (including massive campaigns against homosexuals) cannot necessarily be interpreted as shortcomings in the process of democratization, but rather as an increase in traditionalist, authoritarian attitudes.

### **5.3 Effective use of resources**

The government makes insufficient use of the available human, financial and organizational resources for its policy of transformation. The country's public administration is overstaffed and not adequately efficient. Administrative channels are generally long. Public order and safety are not fully guaranteed everywhere, and corruption is ubiquitous, though not exorbitant. Government personnel spending and the number of civil servants are higher than in comparable countries and have nearly doubled since Namibia attained independence. However, the relatively smooth transition from a colonial administration to that of an independent state and the fact that the experience and institutional memory of the previous government remained intact and could be used by the new government are to be viewed as positive.

However, this situation also had its problems. Many of the white civil servants who for political reasons had reached the end of their career ladders and who did not approve of the new SWAPO-dominated political system were more intent on blocking administrative processes after independence than promoting them. On the other hand, affirmative action also created massive problems because many strategically important positions within the public administration were filled according to political considerations rather than ability. This trend toward politically motivated, personality-based and nepotistic awarding of posts continues to present an obstacle to development although many strategic positions have since been filled by well-educated, ambitious managers.

Corruption is criticized publicly, but also widely accepted by society. In a neo-patrimonial system, patronage-based relationships are the order of the day, and it is not unusual for members of the government to privatize public services only to use them for their own personal gain. The result is often a linking of state, party and private capital. Nevertheless, the market economy in Namibia works satisfactorily. The private sector is so well-developed in comparison with many other African countries that it is not primarily dependent on government contracts. With its institutions, associations and prominent individuals, the private sector serves as a strong counterweight to the government. Nevertheless, there are close ties between the private sector and the government that are most certainly not free of corruption.

The national constitution adopted in 1990 provides for a multilevel system of central, regional and local government and administration. Since 1992, efforts have been under way to decentralize the unitary country, which had been centrally administered. The necessary legislation and administrative reforms have been passed, but only recently put into force. Thus far, successes have been achieved in local self-administration at the municipal level. This is particularly the case in traditionally wealthy communities (with a large numbers of wealthy whites) that are financially autonomous and able to provide effective administrative services thanks to considerable revenues from taxes and fees.

Decentralization is proceeding very slowly in much of Namibia because regional and local institutions are not in a position to effectively fulfill the tasks entrusted in them by law. A particular hindrance is the civil servants' and politicians' lack of qualifications to fulfill the new, decentralized duties and responsibilities. This only serves to deepen the divides between rich and poor, and between the center and the periphery.

In its development efforts, the government has endeavored from the beginning to overcome the ethnic heterogeneity of the population through nation-building efforts. Constant reminders of the liberation struggle and the peaceful transition to national sovereignty are intended as a means of using a shared political past as a key to developing a sense of solidarity that embraces all groups and ethnicities. For the majority of the population, which had suffered for decades under colonial domination, this political and cultural recollection certainly does promote a sense of identity. Among white Namibians and members of ethnic minorities, the government's one-sided interpretation of historical events has had a counterproductive effect. The semi-official culture of remembrance, which finds its most extreme expression in an ostentatious heroes' memorial, is more likely to lead to sociopolitical conflict than to consensus.

#### **5.4 Governance capability**

By and large, the government's policy does have continuity, more in economics policy than politics. However, even in the early years after independence, too little was done to bridge the gap between rich and poor. This is particularly true of land policy. Suggestions that were already raised at the land conference in 1991, for instance on the use of unused estates (absentee landlords), were never implemented.

As mentioned previously, certain decisions made by the president without the involvement and information of the cabinet certainly play a role in both domestic and foreign policy and can have grave consequences, as the military operations in the Congo and overhasty decisions on domestic issues and personnel questions have shown. A similar situation is emerging in land reform, in which disputes among different wings of the party and the government are becoming evident. So

far, no serious misallocations of resources have taken place. However, the government does not seem to be following a clear policy line at present, and there is a feeling of uncertainty about the actual future course the government will take.

### **5.5 Consensus-building**

There is no disputing that the president and government have worked intensively to build consensus in Namibia since the political transition at the start of the 1990s. A central issue was the realization of a democratic, free-market system as laid out in the constitution. Forging a pact between the old (colonial) and new elites was a top priority. This policy was very successful, especially during the first years of the young republic. The government and the president enjoyed the open support of white-dominated business and industry although latent racial and ethnic conflicts were palpable in interpersonal contacts and contact in the workplace.

Large portions of the white population continued to support the head of state until the election for a third term in office. This support seems to have weakened recently as a result of the president's increasing and nontransparent political interventions in current affairs. Almost insurmountable difficulties in dealing with the past are becoming apparent because leading figures are unwilling to face an open examination of the wrongs committed during the liberation struggle.

In the long term, the interethnic conflicts could become dangerous. Even if the president and most of his ministers—all of whom experienced the liberation struggle firsthand—do not want to put their achievements on the line, there are definitely radical voices within SWAPO that are not at all interested in consensus and are extremely critical of the current political and economic order. Therefore, it essentially comes down to a power struggle among leading individuals. A struggle for the right to succeed Nujoma, a struggle to achieve greater representation for the majority Ovambo, and a struggle to get radical demands for redistribution met are justified in principle but heavily trimmed with political, postcolonial resentment.

### **5.6 International cooperation**

In an international comparison, Namibia has become a focal point of international aid since its independence and is now highly dependent on international transfer payments. Compared with other African states, however, the country's dependence is quite low for it did not yet have to rely on the financial support of the IMF. But still, with \$109 per inhabitant, Namibia is one of the top recipients of development transfer payments in Africa.



Western industrialized countries, the World Bank and the IMF have played an important role in Namibia's democratic and free-market transformation. Namibia not only presents itself to the outside world as a functioning democracy but also professes its faith in a market economy and largely bends to international demands for liberalization. In this way, Namibia has proven itself a predictable and cooperative partner to international donors. However, the risk of too much aid is a problem that has led to a situation in which the domestic governmental and nongovernmental institutions are not sufficiently careful in managing the aid funds or do not show the necessary commitment to development.

However, the Namibian government is endeavoring to live up to its positive reputation as a democratic recipient country. Namibia is a member of the SACU and the SADC. In addition, Namibia is a member of all major international organizations and is prepared, even with its small population, to take on international responsibilities. For example, in 1999-2000, Namibia's foreign minister was the president of the UN General Assembly. Windhoek has become an internationally popular conference center in Africa and is developing a visitor-friendly infrastructure to help it live up to its reputation.

## **6. Overall evaluation**

In summary, the developments in Namibia and the political decision-makers' management achievements can be assessed as follows in light of the baseline conditions:

(1) *Baseline conditions:* The starting conditions for democratic and economic transformation are to be rated as positive overall. However, because they were largely determined by outside forces, there was, from the very beginning, a gap between the democratic, free-market structures and, at the same time, the attitudes of a population that had not accepted and internalized democratic values and behaviors. Even before the period of this study, functioning democratic and free-market structures were in place. Although the conflict between the old and new elites has been covered up by the government's considerable efforts to reach consensus, there are unmistakable racial and ethnic tensions below the surface.

(2) *Current status and evolution:* The progress made toward democratic transformation during the period under review can only be assessed as positive to a limited extent. The functionality of the democratic structures has to be more closely examined because shortcomings in terms of political participation and the rule of law are visible behind the facade of formal democracy, and the diffusion of democratic values is occurring only slowly. Although there have been efforts toward greater decentralization, the process of consolidation is stagnant on the whole and indicates a decreasing willingness for integration and insufficient institutional efficiency within the government system.

In terms of economic transformation, limited successes have been achieved. Economic development has stabilized in some areas and the infrastructure has improved. On the other hand, the development of the market economy in terms of social welfare is stagnant. The distribution of income has hardly improved and the general population's state of health has deteriorated overall, particularly as a result of the HIV/AIDS pandemic. The relatively high level of government spending for education has also not yet shown the expected positive effects.

(3) *Management*: The management of affairs by the actors during the period of this study must be viewed critically. Rising authoritarian tendencies within the government in connection with repeated restrictions on civil liberties indicate that the key decision-makers' democratic focus leaves much to be desired. An important test will come in 2004, in the political handling of a fourth presidential term that is not provided for in the constitution.

In economic terms, the process of transformation has gained momentum, thanks in great part to international support. Because of a lack of commitment and insufficient management capability, the effective use of resources has not been pursued consistently enough. Whereas the basic attitude at the lower levels of the economy and public administration is a lethargic one, political and administrative leaders are guilty of a hasty bustle that is aimed more at personal gain than overall economic progress.

## **7. Outlook**

Public assessments of the democratic and economic transformation in Namibia vary widely. However, the overall verdict is positive, with qualification. Transformation successes achieved thus far have been thanks in large part to external actors. In principle, the government accepted the course of transformation when it took power and has maintained it since then. However, there has been a visible softening in the handling and interpretation of democratic ground rules. Though the government's efforts to build consensus have covered up and taken the edge off the unmistakable lines of conflict between the old and new elites, between the black majority and the white minority, and among the various ethnic groups, these lines still exist.

It can be assumed that formal democracy and free-market structures will continue to function for some time. It is not possible to rule out the possibility that extreme ethno-political groups might come to power one day, even through general elections, and the consensus would no longer be maintained. Then, at the latest, the democratic and free-market structures would be in jeopardy and the great expectations of the early 1990s, that Namibia could become a model for democratic and free-market development in Africa, would finally have to be laid to rest.